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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 000806

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TAGS: [CASC](#) [ASEC](#) [EPET](#) [ENRG](#) [ECON](#) [PINS](#) [PGOV](#) [NI](#)

SUBJECT: NIGERIA: NEGOTIATIONS CONTINUE FOR RELEASE OF 17
U.S. HOSTAGES

REF: ABUJA 768

Classified by Ambassador Howard F. Jeter for reasons
1.5 (b) and (d).

Summary

1. (C) Transocean Sedco Forex Managing Director Ian Clark told the Ambassador April 30 that the 273 hostages, including 96 expatriates of whom 17 are U.S. citizens, are in good health--despite contrary press reports. However, food and water stocks may be running low. President Obasanjo offered to assist in peacefully resolving the situation. Press reports indicate the Nigerian Navy may use force to re-take the platforms, but GON defense officials disavow any intention to act precipitously. End Summary.

Hostages in Good Condition

2. (U) Clark said Transocean Sedco Forex has been in frequent contact with expatriate and Nigerian employees still captive on the rigs. Discounting international news reports that the hostages have been threatened with bodily harm, Clark said they were under considerable emotional stress but in no immediate physical danger. However, Clark said basic supplies may run short if no settlement is reached soon. He reported that hostages are allowed full access to their living quarters and may move about the rigs to perform necessary maintenance.

Local Negotiations Going Nowhere, Federal Government Gets Involved

3. (U) Clark told the Ambassador that his company had been actively attempting to win the release of the 273 hostages, including 17 U.S. citizens and 96 other expatriates. Clark said his company had worked closely with the National Union of Petroleum and Natural Gas Workers (NUPENG) leadership, and that NUPENG President Peter Akpatason had written the workers asking them to release the hostages and resume negotiations on land. The Rivers State Deputy Commissioner of Police--who has jurisdiction over the rigs, made efforts to serve the April 25 Federal High Court order that the disgruntled workers abandon the rigs immediately, but his efforts were rebuffed.

4. (C) Clark told the Ambassador that he had met earlier with President Obasanjo. Obasanjo was sympathetic to his company's situation and agreed to assist in resolving the situation peacefully. Clark recounted. On Obasanjo's suggestion, Clark met Nigeria Labour Congress President Adams Oshiomole, who the Ambassador had previously spoken to about the situation. Oshiomole agreed to help mediate a solution, offering to call the workers on the rigs. The Ambassador also offered to accompany Clark to meet the Minister of Labour. Clark agreed with the Ambassador that the disgruntled workers might step down under the weight of such high-level pressure from the GON.

5. (C) Clark suggested that the threat of military or police action might be necessary to break the logjam. He emphasized that the threat by itself may be enough, and agreed with the Ambassador that the actual use of force would be an unwelcome development. Meanwhile, the international press has reported that the Nigerian Navy is planning to take the rigs by force. However, Nigerian Defense Intelligence Agency and Ministry of Defense contacts have told DATT that there is no such move afoot. Comment: It is highly unlikely that the military would forcefully intervene unless requested and only if the situation takes a dramatic turn for the worse. End Comment.

Why Takeover the Rigs? Two Versions of the Story

6. (U) NUPENG's Akpatason told Poloff April 30 that the local NUPENG chapter had complained about the continuous use of an unsafe boat to transport workers to and from the rigs. After

several reports that the boat routinely broke down on the high seas, NUPENG insisted that Transocean Sedco Forex take the workers' safety concerns seriously and consider helicoptering workers to the rig. Akpatason said the company refused to meet NUPENG's demands, leading union leaders to contemplate some type of industrial action.

17. (U) Akpatson said that as NUPENG worked to resolve this problem, the company dismissed five workers, local-chapter NUPENG leaders, for undisclosed reasons. The five members, who were aboard one of the rigs, then decided to call a strike despite receiving an earlier communique from NUPENG suspending such action, according to Akpatson. He said the individuals who orchestrated the takeover used their position within the local chapter of NUPENG to influence fellow workers, not only to resolve the transportation issue, but to keep their jobs.

18. (U) Clark offered a much simpler explanation for the worker action. He said five workers had falsified travel receipts. When challenged by company investigators, the workers claimed that they were framed. Clark said a subsequent police investigation concluded that the workers were guilty. Clark said the workers were dismissed solely for that reason. The five dismissed worker--who were onshore and had not recently been aboard the rigs--then used their influence within the union to foment a strike despite NUPENG orders to the contrary.

Comment

19. (C) It is possible that the oil workers who took over the rigs are using this dispute as a catalyst to extort money from the company. Some oil companies have already set the precedent of paying-off thugs who take hostages. From the workers' perspective, there is no point to negotiating a solution that is less beneficial than waiting for the payoff that usually comes. Meanwhile, Clark has said that his company is ready to take a stand and will not pay. He says other oil company executives are supportive of his company's decision and have said they will not pay if in similar circumstances in the future.

110. (C) In the end, the workers may accept a solution that minimizes actions taken by the Transocean Sedco Forex against those involved, with the exception of those dismissed for financial irregularities. However, Clark told the Ambassador that no matter the settlement negotiated, all workers involved in the takeover will be immediately dismissed. Following through on this pledge would mark a major departure in relations between the oil companies and their workers. Clark also said that his company and others henceforth would require that oil rig workers sign a code of conduct that would provide a basis for the immediate dismissal for employees involved in the kind of worker sympathy action that is taking place now. Ambassador agreed that this was a good idea and offered the good offices of the Embassy to work with the GON, labor, and the oil companies to try to bring this about. End Comment.

JETER